

**Questions and Answers (Digest)**  
**The Financial Results Meeting**  
**for the first six months of the fiscal year ending March 31, 2017**  
**held on November 1, 2016**

Q1 Please provide us with details on the current situation regarding your TA-Q-BIN services.

- TA-Q-BIN Compact and Nekopos have achieved steady growth due to their use through website partnerships with online flea market operators amid growth of the online flea market business, and due to progress made with sales to small-lot corporate clients.
- As for unit pricing, we have been forging ahead in making improvements on the profitability and cost front, particularly by bringing unit pricing in line with parcel sizes and overhauling our operations.
- In terms of quality, we have been striving to maintain consistent quality levels by establishing KPI benchmarks, and also by working to improve productivity through efforts that include implementing measures for dealing with instances where recipients are unavailable to accept deliveries.

Q2 Please touch on your circumstances with respect to recruitment as the labor market continues to tighten.

- In the first half of the fiscal year, recruitment of part-timers didn't go as well as anticipated. Going forward, however, we will take steps to secure labor resources by engaging in broad-based recruitment and providing work arrangements that enable a diverse range of human resources to play active roles in our company, including full-time employees, Kuroneko Mates and other job designations.

Q3 Please explain where you are headed with your global strategy.

- We have been forging ahead with efforts to create a borderless logistics network between the five zones of Japan, East Asia, ASEAN, Europe and the Americas, with a particular focus on the ASEAN region.
- In that regard, we will build our TA-Q-BIN network more swiftly in respective countries through alliances with locally based companies while setting up trunk routes that are linked, across borders, with the network by taking a management-driven approach to ensure consistent quality.

- We will differentiate ourselves from the competition by strengthening our value-added services in areas such as logistics, forwarding, cold chain and payment settlement, all on the basis of mixed freightage for small-lot cargo from respective countries through our trunk route transportation, and drawing on our “last mile” network.

Q4 Please tell us what you envision in terms of the next Medium-Term Management Plan.

- The content of the next Medium-Term Management Plan will be geared to the company achieving further growth in 2019 and beyond.
- It will involve building platforms for growth in terms of focusing efforts on global initiatives and developing frameworks and systems to enable us to expand operations in the realm of business-to-business logistics.
- The plan will also entail steady investment in further growth, and making such initiatives more effective.